

CITY OF ELGIN

P.O. Box 128

Elgin, Oregon 97827

Phone (503) 437-2253

March 29, 1996

Judy Wing
c/o U.S. Forest Service,
La Grande Ranger District
3502 Highway 30
La Grande, OR 97850

Re: Elgin Industrial Park Development grant: OREC-94-057

Dear Ms. Wing,

As you are aware the City of Elgin has been granted an extension until August 31, 1996 for completion of the industrial park development project. As you are also aware the City has not been successful in identifying a site for an industrial park. With over 80 acres of undeveloped land zoned industrial, it seemed reasonable to expect to identify a site for the project. However, those lands with reasonable physical access, about 70 acres, are owned by two corporations, neither of which are interested in participating in the development of their holdings, nor interested in the City facilitating such development.

Without a lengthy rezoning process, it appears that the development of any industrial park is, in the foreseeable future, out of the question. We have some smaller parcels inside the City that can be developed, and have considered the potential of developing an incubator facility on one of these sites. The work accomplished with the grant funds to date stands on its own and can provide support for the development of an incubator as well as a larger industrial park.

It is not clear to us at this time whether it is feasible to attempt the development of an incubator facility. It is also not known whether it is reasonable to request using the remainder of the grant toward this end, either from your perspective or ours. It would seem that the information needed for the development of an incubator facility is complex enough to require a more detailed analysis than the remainder of the grant could provide.

The city is in the process, through Elgin 2010, of making an application for Rural Investment Funds from Northeast Oregon Alliance, (lottery funds of Oregon Economic Development). The grant would provide an engineering design for an over-night and day use park on the Grande Ronde River. The Walla Walla Ranger District did a conceptual plan for the park several years ago.

The land is owned by the City of Elgin. It was developed as a park at the turn of the century. In the 1950's it fell into disrepair. About 1973 the site was filled and leveled in preparation for redeveloping the park. However this has not occurred. The proposed development would about 15 over-night camping places, a bathhouse, a raft launch ramp and a day use area.

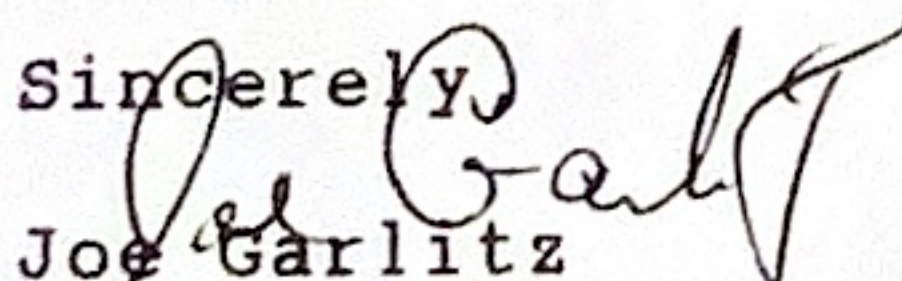
We have estimated the cost of construction to be in the neighborhood of \$250,000 to \$300,000. The cost of the preliminary work, (site analysis, permits and construction design), are not known yet but might range up to \$60,000. It has been suggested that the remainder of the outstanding grant might be used as a match for the Rural Investment Funds grant to complete the park construction design.

I do not have the time to pursue this matter in depth before making a request to the Forest Service in this matter. Further it is not appropriate to ask the contractor to do any further work on the project without having a substantial and obtainable goal.

We have identified both the incubator facility and the over-night park as high priority projects for economic development. If it seems reasonable to that the remaining grant could be used in either of these objectives please let me know how we might proceed. If neither is reasonable, we should proceed to close out the grant at this time.

Thank you for your assistance.

Sincerely,


Joe Garlitz

Recorder/Administrator